Ontario's Affordable Housing Strategy

New Approach, New Opportunities

INFORMATION BOOKLET

For Municipal Councillors and Officials • August 2006

Ontario

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Message from the Minister

In 2003, the Government of Ontario promised to build stronger communities through strategic investments in housing programs. Through these investments, we are improving the availability, affordability and quality of housing in Ontario.

Our government is leading initiatives to promote housing stability, protect Ontario's healthy rental market and provide affordable housing opportunities for Ontarians in need.

In 2004, we established a $14 million, Ontario Rent Bank program to help tenants avoid eviction for non-payment of rent due to an unforeseen crisis. By the end of 2005, 4,177 Ontario households received assistance for short-term arrears and avoided eviction.

Our annual $50 million investment in the Ontario Strong Communities Rent Supplement Program assists low-income households obtain housing. To date, 6,670 low-income households have received rent supplements.

The Residential Tenancies Act (RTA), Bill 109, received Royal Assent in June 2006. This legislation will provide better protection for tenants and landlords, ensure fairer rent increases and promote investment in rental housing. The RTA will give tenants more protection while keeping the rental housing market strong.

The Ontario government has also initiated two rounds of regulatory changes to the Social Housing Reform Act (SHRA), the first one in 2004 and the second in 2005. The regulatory changes provide greater flexibility to Service Managers in the administration of social housing. I'm pleased that consultations on the third round of regulatory reform of the SHRA will commence shortly. We're hoping these consultations will result in a set of new regulatory amendments to the SHRA by the spring of 2007.

In April of 2005, the federal and provincial governments signed a new Canada-Ontario Affordable Housing Agreement. Under this commitment, the federal, provincial and municipal governments will invest at least $734 million through the Affordable Housing Program (AHP). AHP funding will support the development or rehabilitation of 15,000 affordable housing units, and will provide up to 5,000 housing allowances/rent supplements to support households in need across Ontario. In total, the program will help 20,000 Ontario households by 2010.

As of April 2006, the province has allocated funding to support the development or repair of more than 5,800 affordable housing units. Under the first phase of the AHP, more than $109 million in

federal and provincial funding was allocated to support 4,300 of these units. Through the collaborative efforts of all program partners, 1,400 of these units are completed and are occupied by low-income households in need of safe and affordable housing.

Under the Strong Start initiative of the new program more than 1,500 units have already been approved for funding totaling more than $72 million. More than 3,400 housing allowances are now available in designated Ontario municipalities, with the balance of 5,000 to be confirmed shortly.

In June of this year, the government announced the establishment of the Ontario Mortgage and Housing Initiative (OMHI). The OMHI will help housing providers access stable, long-term, low-cost financing to help build more units faster.

In particular, the OMHI will offer:

- A Roster of Qualified Lenders containing up to three reputable financial institutions that will provide construction financing and long-term mortgages to projects under the AHP;
- A Roster of Project Facilitators, such as lawyers, architects, quantity surveyors, development and financing consultants and others, to assist affordable housing proponents in accessing the expertise they need to create an affordable housing project; and
- The OMHI Resource Centre, a web-based, one-window portal, providing access for proponents to obtain educational materials and standardized financial and legal documents for the AHP.

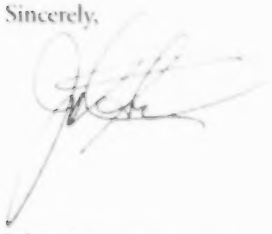
The Government of Ontario recognizes that these successes were possible because of the dedication, hard work and financial contributions of Ontario's municipalities. Thank you for your contributions and continued commitment to making affordable housing available to households that need it.

The purpose of this publication is to share with you the details of Ontario's Affordable Housing Strategy, a stategy that is delivering results.

I am pleased with the outcomes of the collaborative efforts of all three levels of government in providing low- and moderate-income households with safe, affordable housing. I am confident that as our partnerships grow stronger, we will be able to continue to provide housing options to those most in need in Ontario.

I look forward to our continued work on behalf of the people of Ontario.

Sincerely,



John Gerretsen
Minister of Municipal Affairs and Housing

The Affordable Housing Program

The Province of Ontario has experienced strong economic growth over the last 10 years, which is reflected by higher household incomes. Despite this growth, the Canada Mortgage and Housing Corporation (CMHC) estimates that in 2001 nearly 600,000 Ontario households were in core housing need. Households are considered to be in core housing need if do not live in or could not access acceptable alternative housing. The term "acceptable housing" refers to housing that is:

- AFFORDABLE – dwellings cost less than 30% of before-tax household income;
- ADEQUATE – dwellings do not require major repairs, as reported by residents;
- SUITABLE – dwellings are not crowded, meaning that they have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NSO) requirements.

The provincial government is committed to ensuring that all Ontarians have access to safe and affordable housing. The province's objective is to assist households in need to access affordable housing and reduce social housing waiting lists across the province. The government is working with the federal government and municipalities to achieve these objectives through the AHP.

AHP Partners

The AHP is designed to increase the supply of affordable housing, as access to stable, safe and affordable housing can help improve health, work and education outcomes of households in need. The province recognizes that the success of the program can be enhanced by working in partnership with other levels of government and housing stakeholders; that is why the ministry consulted with stakeholders to design a program that leverages expertise, financial contributions, and support from all program partners.

Under the first phase of the program, contributions from private and non-profit housing providers, including co-operative housing corporations, service clubs, religious and charitable organizations and municipal non-profits contributed to the achievements of the program. Contributions included donations of land, equity, fundraising monies, building materials, professional knowledge and sweat-equity.

The involvement of municipalities is key to the ongoing success of the program. The province recognizes that municipalities have contributed more than $149 million to the AHP. Over the last two years, the province has worked closely with municipalities to seek their input on the design of the AHP in order to create a program that responds to local housing needs. In recognition that Ontario's municipalities are key partners in the implementation of the program, a Memorandum of Understanding (MOU) was signed by the federal government, the province of Ontario, the City of Toronto and the Association of Municipalities of Ontario (AMO). The MOU sets out the guiding principles for municipal involvement in the AHP.

In the spirit of the program's objective to work in partnership to increase the supply of affordable housing, the government encourages all partners to make contributions to support the objectives of the program.

AHP Program Components

The AHP provides low- and moderate-income households with opportunities along the housing continuum – from housing allowances/rent supplements to affordable homeownership. The program has the following four components to ensure a comprehensive approach to assisting households along this continuum:

1. Housing Allowance/Rent Supplement

This component is an exceptional, interim measure to provide affordable housing to households with lower incomes by supplementing rents of existing vacant rental housing stock in markets with high vacancy rates. This component supports households for up to five years. Housing allowances/rent supplements increase the affordability of units by decreasing the portion of income households must pay for shelter.

2. Rental and Supportive Housing

This component aims to reduce the capital costs for rental and supportive housing units developed through new construction, acquisition and conversion, or through additions and renovations to existing stock. Program funding helps housing providers achieve rent levels below average market rents for a minimum of 20 years.

Approximately 22 per cent of the Rental and Supportive Housing component funding supports the development of supportive housing units. These units help persons with mental illness and victims of domestic violence live independent lives. The ministries of Health and Long-Term Care and Community and Social Services have committed to providing appropriate support services for clients placed in the AHP supportive housing units.

3. Northern Housing

The Northern Housing component of the program provides funding for the creation, acquisition, and rehabilitation of affordable rental or ownership housing in northern Ontario. This component is available exclusively to communities north of the French River including Nipissing District.

4. Homeownership

The objective of the Homeownership component is to ease the demand for rental housing by assisting low- to moderate-income rental households across the province in purchasing affordable homes. Municipally managed Homeownership Revolving Funds ensure that money will be made available to future generations of households looking for affordable homeownership opportunities.

Program Funding and Unit Allocations

Program Component	Units	Total Funding	Funding Per Unit	Additional Description
Housing Allowance/Rent Supplement	5,000	$80M	$20 – $360 /month Average $266/month	Service Manager allocations range from 10 to 1,800 units, with 10 percent of units targeted for victims of domestic violence.
Rental and Supportive Housing	4,000 Rental	$280M	Average $70,000	Service Managers may vary the contribution per unit. MCSS and MOHLTC will provide support service funding.
	1,200 Supportive	$84M		
Northern Housing	1,500	$30M	Average $20,000	Service Managers may vary the contribution per unit.
Homeownership	4,500	$36M	Average $6,500 to $10,000	Assistance is equal to 5% of the cost of an eligible home in the Service Manager area.
Pilot – Community Rental Housing	4,305	$109M	Average $23,000 – $25,000	Rent target = Average Market Rent Program Component Ended

Role of Ontario's Municipalities in the AHP

Municipalities through Ontario's 47 Consolidated Municipal Service Managers (Service Managers), are playing an important role in developing housing and ensuring those in need are housed appropriately. The province encourages municipalities to continue to play this critical role and to take the lead in the implementation of the AHP.

Service Managers are in the best position to lead the administration of the AHP, as they have the expertise to:

- Plan and facilitate local affordable housing investments with local partners;
- Ensure the appropriate target groups and clients are assisted by the program; and
- Provide appropriate development incentives to support proponents participating in the program, such as the equalization of property taxes or the waiving of development charges.

Service Manager participation in the delivery of the program is optional, however the province encourages municipalities to participate in the program.

Service Manager Unit and Funding Allocations

All 47 of Ontario's Service Managers have been allocated a minimum number of units and a maximum amount of funding for the program (see Appendix A for allocations). The 37 Service Managers in southern Ontario received allocations under the:

- Housing Allowance/Rent Supplement component;
- Rental and Supportive Housing component; and
- Homeownership component.

The 10 Service Managers in northern Ontario (north of the French River) received allocations under the:

- Housing Allowance/Rent Supplement component;
- Northern Housing component; and
- Homeownership component.

Municipal Take-Up and Housing Delivery Plans

In recognition that Service Managers have the local knowledge and expertise required to successfully deliver the program, participating Service Managers are asked to develop and adopt Take-Up Plans for the Housing Allowance/Rent Supplement component and Housing Delivery Plans for the capital components.

The plans are local statements of intentions communicating housing priorities to the community, housing developers and providers and the senior levels of government. The plans outline local target populations, affordable rent and/or home price targets and maximum income limits for households accessing units/funding under the AHP. Service Managers may establish their own housing objectives that complement those established by the federal and provincial governments.

The province sees the Take-Up and Housing Delivery Plans as key to ensuring the needs of local households are met.

Project and Household Selection

Service Managers are in the best position to build on existing — or develop new — partnerships in the community through the project and household selection process. Under the AHP, Service Managers have the flexibility to select partners through locally-established procurement processes.

Program Administration Funding

The province provides Service Managers with administration funding to offset the cost of delivering each component of the program. Delivery of the AHP includes soliciting and selecting eligible projects and/or households and housing units and basic reporting on program compliance for projects through the 20-year affordability period. The schedule of administration fees is as follows:

- Southern Ontario Service Managers delivering the Rental and Supportive Housing component will receive an administration fee of $75,000.
- Northern Ontario Service Managers delivering the Northern Housing component will receive an administration fee of $100,000.
- Any Service Managers allocated more than 50 units will receive an additional administration fee of 1.3 per cent of the capital funding for the balance of their allocation above 50 units.
- Service Managers delivering both the Rental and Supportive Housing or Northern Housing and Homeownership components will receive $100,000 or $125,000 plus 1.3 per cent of the capital funding for the balance of their allocation above 50 units.

Service Manager Council/Board Decisions Points

Councils/Boards of Service Managers will consider and approve:

- Participation in eligible components of the program – Housing Allowance/Rent Supplement, Rental and Supportive Housing/Northern Housing and Homeownership;
- Processes to solicit and select proponents for the Rental and Supportive Housing/Northern Housing components;
- Processes to work in partnership with third parties;
- Take-up Plans for the Housing Allowance/Rent Supplement component;
- Housing Delivery Plans for the capital components;
- Equalization of property tax rates for multi-residential rental and supportive housing projects to equal the rate applied to single residential properties (or alternative but equal development incentives such as the waiving of development charges or the provision of grants); and
- Types and levels of other municipal development incentives for projects that may be set out in a municipal housing facilities by-law.

AHP Housing Allowance/Rent Supplement Component

A housing allowance/rent supplement is a supplement paid to the landlord on behalf of a household in need of rental assistance. It is meant to help bridge the difference between the rent that a household can afford to pay and the actual market rent.

This component of the AHP was designed as an exceptional interim measure to enhance access to affordable rental housing for low-income households that are on, or eligible to be on, a social housing waiting list, by utilizing vacant rental units in rental markets with high vacancy rates.

This $80 million component is a time limited initiative designed to enable Service Managers to immediately address the demand for affordable housing by utilizing 5,000 vacant rental units.

Unit and Funding Allocations

5,000 rent supplements/housing allowances were allocated to Service Managers based on their proportion of 'core need' renter households. 'Core need' renter households are those that are spending 35 per cent or more of their gross household income on rent and/or are residing in unsuitable/unaffordable/inadequate housing. 500 of these housing allowances/rent supplements were designated to support victims of domestic violence.

Service Manager funding allocations were based on the 'income-to-rent gap' — the gap between the average rent and 35 per cent of the average income of core need households. Service Managers may provide a housing allowance/rent supplement equal to this income-to-rent-gap or to vary it according to a household's needs.

Progress to Date

On August 31, 2005, the Governments of Canada and Ontario announced the Service Manager funding and unit allocations for this component. Service Manager guidelines were released in December 2005, and Service Managers were requested to have Housing Allowance/Rent Supplement Take-up Plans submitted to the province by March 2006. Most Service Managers have entered, or are expected to enter, a Housing Allowance/Rent Supplement component administration agreement with the province. Eligible households are already benefiting from the housing allowance/rent supplements offered under the AHP. It is expected that 1,576 units will come on stream in 2006 based on the 31 Service Manager Take-up Plans approved to date.

AHP Rental and Supportive Housing Component

The Rental and Supportive Housing component increases the supply of affordable rental housing for households on, or eligible to be on, social housing waiting lists. Priority is given, but not limited, to:

- Aboriginal peoples
- Recent immigrants
- Persons with disabilities
- Low-income seniors
- Persons suffering from mental illness
- Victims of domestic violence
- The working poor

AHP funding provides financial assistance to non-profit and private developers to support the development of new rental units that must remain affordable for a minimum of 20 years. The funding may go towards new construction, acquisitions, conversions, additions or repairs and renovations.

Unit and Funding Allocations

Unit funding under the Rental and Supportive Housing component is based on an average of $70,000 per unit. The federal government is providing $26,600 of this funding as up-front capital. The balance of $43,400 is provided by the province to support the repayment of a project's long-term financing via a 20-year affordability payment.

Program funding will support projects that have an initial average rent set at the greater of 80 per cent of the (CMHC) Average Market Rent or 105 per cent of a modified Ontario Works shelter allowance. The maximum allowable rent for any AHP funded unit is the Average Market Rent.

Units funded under the program are most likely to be multi-residential housing with self-contained units - high-rise and low-rise apartments, and town or row houses. Most projects are newly constructed, however the conversion of non-residential buildings and the rehabilitation of existing buildings is also permitted. All units must be modest in terms of floor area and amenities, taking into consideration household needs and community norms.

Progress to Date

The province announced the Service Manager funding and unit allocations for this component on August 31, 2005. At this time the governments of Canada and Ontario also announced the launch of the Strong Start initiative of the program, designed to fast track the development of units that are ready for construction. As of April 2006, more than 1,100 units and $70 million in funding has been allocated under the Strong Start initiative.

As Service Managers submit their Housing Delivery Plans and enter into administration agreements they may begin implementing the program.

AHP Northern Housing Component

In recognition that housing needs in northern Ontario communities are significantly different than those of southern communities, the Northern Housing component was established to provide $20 million in program funding to communities north of the French River, including Nipissing District and excluding Reserves.

Northern Housing component funding is intended to be used to acquire and rehabilitate through renovation existing rental and homeownership housing stock, or to create new units where needed. This component was established in recognition that northern communities may require the rehabilitation of existing stock, instead of new supply.

Unit and Funding Allocations

The 10 Service Managers in northern Ontario were allocated 1,000 units based on population. Each unit has been allocated $20,000, based on a contribution of $10,000 from each of the senior levels of government. This funding is provided as an up-front forgivable capital loan.

Any units that receive funding under this component must be at or below the average market rent or selling price for the housing market area and not more than what is affordable to households at the 60th percentile of income in that community.

Homes owned by low income households and rental units are eligible under this component. Funding supports units that are modest and meet community norms.

Progress to Date

Service Managers were allocated units and funding in August 2005. Program implementation may begin when Service Managers submit their Housing Delivery Plans.

The province has allocated $4 million to Frontiers Foundation, a not-for-profit housing provider whom the province has worked in partnership with for nearly a decade. This funding will support the rehabilitation and repair of 200 housing units in remote northern Ontario communities.

AHP Homeownership Component

The Homeownership component of the AHP assists low-to moderate-income rental households in purchasing affordable homes, with the objectives of:

i) easing the demand for affordable rental housing by assisting renter households move into the homeownership market;

ii) freeing up social housing units to address current waiting list pressures; and

iii) providing low- and moderate-income households with an opportunity to move up the socio-economic ladder through homeownership.

Homeownership component funding is flowed though a local Homeownership Revolving Fund and each unit contribution provides purchasers with interest-free down payment assistance to buy a new or resale home. Assistance is equivalent to 5 per cent of the cost of the eligible home. Detached, semi-detached, town or row and multi-residential self-contained units are all eligible under the Homeownership component.

The Homeownership Revolving Fund is a permanent revolving fund designed to provide ongoing opportunities for low- and moderate-income households to enter the homeownership market. The fund is replenished when a homeowner who chooses to exit the program prior to expiration of the 20-year affordability period repays the original AHP contribution plus 5 per cent of the realized capital gains of the property. This funding is then invested with a new homeowner.

In cases where a home is sold within the 20-year affordability period but the seller experiences a capital loss, repayment of the original Homeownership down payment assistance would be waived.

Purchasers must be renter households buying a sole and principal residence and must be at or below the 50th percentile of income in the Service Manager area or across the province, whichever is lower. All purchasers are selected through a fair and open process.

Unit Allocations

The province allocated $28 million in funding for 3,470 units, to Service Managers based on population.

Progress to Date

As of June 2006, seven homeownership projects, totaling 984 units, are either occupied or under construction. These projects aim to facilitate access to home ownership by households who may not otherwise be in a position to do so.

Among these projects are:

- The Homeownership Alternatives Pilot Project, which was allocated over $2.2 million in funding to support the development of 382 units in three projects located in Toronto (Scarborough), Pickering and Markham.
- The WAVE project, developed by The Daniels Corporation, which was allocated over $1.6 million to provide 178 new affordable condominium units in Toronto for sale to low-to-moderate income households.

Ongoing Collaboration on the AHP

The senior levels of government collaborated extensively with municipalities and housing stakeholders in designing the program and will continue to maintain a close relationship with stakeholders as it is implemented.

The Municipal Advisory Group, formed in the fall of 2004 with representation from the senior levels of government, AMO and the City of Toronto, has been the key forum for collaboration on the design of the AHP. The ministry has benefited extensively from the expert advice of Ontario's municipalities in the development and implementation of the program and continues to work closely with municipalities through this forum.

Ontario Mortgage and Housing Initiative

The Ontario Mortgage and Housing Initiative (OMHI) is being established to enhance affordable housing proponents access to financing, expertise and other resources under the AHP.

The creation of the OMHI follows extensive consultations with private and non-profit developers of affordable housing, municipal housing corporations, Service Managers, treasury officials, financial institutions and other Ontario government ministries.

During consultations, stakeholders identified the need for the OMHI to address a variety of elements essential to the development of affordable housing including:

i) lower-cost, longer-term financing;

ii) a cap on fees and other costs associated with financing;

iii) standardized documentation;

iv) a central repository of expertise on developing affordable housing projects; and

v) a financial market educated about the AHP.

Features of the Ontario Mortgage and Housing Initiative

Roster of Qualified Lenders

- The OMHI will establish a Roster of Qualified Lenders containing up to three reputable financial institutions that will provide construction financing and long-term mortgages to projects under the AHP.
- The selection of financial institutions for the roster is being undertaken through an open and competitive process. All CMHC-approved financial institutions have an equal opportunity to bid on the opportunity to be included on the roster.
- Financial institutions on the roster will finance approximately $600 million in CMHC-insured mortgages for the construction of housing under the AHP.

- In the future, the OMHI will include a Roster of Project Facilitators, such as lawyers, architects, quantity surveyors, development and financing consultants and others, to assist affordable housing proponents in accessing the expertise they need to create an affordable housing project.
- The roster will be established through an open process.
- The roster will be an information resource, and the ministry will not require the use of vendors listed, and will not be endorsing or guaranteeing them.
- The roster will act as a directory for affordable housing proponents looking to access housing expertise.

- During consultations, proponents stressed the need for a one-stop shop for information and tools pertaining to the AHP.
- The ministry plans to launch the OMHI Resource Centre, a web-based, one-window portal, providing access for proponents to obtain educational materials, and standardized financial and legal documents for the AHP in the future.
- The Ministry of Municipal Affairs and Housing (MMAH) is consulting with affordable housing proponents to develop standardized documents, and other critical resources.

The Provincial Rent Bank

As part of its comprehensive efforts to promote affordable housing, the province has committed $14 million in provincial funding to Service Managers to operate or establish rent banks, under the Provincial Rent Bank program.

This funding helps ensure housing stability for those who, due to an emergency or other unforeseen circumstance, are in short-term arrears and facing eviction. Short-term rent arrears is the most common reason tenants lose their apartments and end up in shelters.

Under the guidelines for the Provincial Rent Bank program, the province allocated $10 million in funding to Ontario's 47 Service Managers in 2004 and an additional $4 million in 2006. Service Managers may deliver the program directly or they may flow funding to community agencies that operate local rent banks.

Eligibility Criteria

Tenants may apply to a local rent bank to receive short-term financial assistance to address short-term rent arrears. If a tenant's application to a rent bank is approved, the outstanding rent is paid directly to the landlord on behalf of the tenant.

Under the guidelines of the Provincial Rent Bank program, tenants can apply for assistance no more than once in two years, for a maximum amount of two months' rental arrears. It is up to each Service Manager to decide whether assistance is provided as a loan or grant.

Within the Provincial Rent Bank parameters, it is up to each Service Manager to determine the eligibility requirements for their local rent banks.

The Residential Tenancies Act, 2006

On June 22, 2006, the *Residential Tenancies Act*, 2006 (RTA) received Royal Assent. This act, once it is proclaimed by the government, will replace the *Tenant Protection Act*, 1997 (TPA). The new legislation will give tenants more protection while keeping Ontario's rental housing market strong.

The aim of the new legislation is to create a rental housing system that protects tenants, helps landlords and promotes investment in Ontario's rental housing market.

This legislation will affect approximately 1.35 million renter households in Ontario, representing 32 per cent of Ontario's population. The Ontario government listened to this group, along with landlords and housing experts, to develop legislation that is fair and balanced.

Highlights of the Residential Tenancies Act, 2006

Better Protection for Tenants

Better Tribunal Processes

- *Elimination of the unfair eviction process:* Every tenant facing eviction will have access to a hearing or mediation, and all issues relevant to landlord/tenant matters will be considered.
- *Renewed mandate:* The Tribunal's name will be changed to the Landlord and Tenant Board to reflect its renewed mandate of fairness and accessibility for tenants and landlords.
- *Better Notice:* The Board, when possible, will send an information notice about the eviction hearing process to a tenant upon a filing of an eviction application.
- *Better information:* A pamphlet with information on the responsibilities of landlords and tenants, the role of the Board and the Board's contact information will be given to all tenants at the start of their tenancies.

Protection from excessive above guideline increases

Above guideline rent increases for capital expenditures will be granted only for real and necessary investments. Sitting tenants will receive rent reductions once the capital improvements are paid for.

Utilities – Fair treatment for tenants

Sitting tenants whose rents were increased will receive rent reductions when utility costs decrease, if their landlords had received an above guideline increase for higher utility costs.

Smart meters – Conserving energy and protecting tenants

Tenants who receive smart meters will pay electricity bills based on individual electricity use, and will be protected from unfair rent increases.

Protection from rent increases when there are outstanding maintenance issues

Tenants can apply to the Landlord and Tenant Board to stop all rent increases if there are serious maintenance problems.

Better Protection for Landlords

Protection from tenants who cause wilful and excessive damage

Under the RTA, landlords can 'fast-track' evictions of tenants who cause wilful or excessive damage, or who are causing disturbances in the landlord's home.

Lower Fees

The fee for Above Guideline Increase applications and fees for other Landlord and Tenant Board services will be reduced.

Fair interest rates on rent deposits

Under the current act, a landlord is required to pay 6 per cent interest on last month's rent deposit.

Under the new legislation, interest paid on last month's rent deposits will be based on the Ontario Consumer Price Index.

Healthy Investment Climate

Exemptions from proposed legislation

Rental units built after 1991 will remain exempt from the annual rent increase guideline.

Market rent for vacant units

Landlords and new tenants will continue to negotiate starting rents.

Transparent calculation for annual rent increase guideline

Under the TPA, the guideline is based on a calculation of landlord operating costs.

The guideline will now be based on the Ontario Consumer Price Index. The index will be averaged over the most recent 12-month period prior to the publication of the guideline.

More flexibility to discount rents

Under the current act, landlords can offer a discount of only up to one month's rent.

Under the RTA, discounting rules for rent will be expanded to allow landlords to offer up to three months' free rent.

Appendix A – AHP Service Manager Funding and Unit Allocations

Ontario Service Managers	Housing Allowances/ Rent Supplements		Rental and Supportive		Northern Housing		Home ownership		Total	
	$M	Units	$M	Units	$M	Units	$M	Units	$M	Units
City of Toronto	$37.80	1,800	$79.45	1,135			$6.345	729	$123.595	3,664
Regional Municipality of Peel	$4.20	270	$32.55	465			$2.853	328	$39.603	1,063
Regional Municipality of Durham	$2.35	140	$11.20	160			$1.368	158	$14.918	458
Regional Municipality of Halton	$1.73	90	$8.40	120			$1.044	120	$11.174	330
Regional Municipality of York	$1.65	110	$25.90	370			$2.169	249	$29.719	729
Subtotal GTA	**$47.73**	**2,410**	**$157.50**	**2,250**			**$13.779**	**1,584**	**$219.009**	**6,244**
County of Simcoe	$1.65	110	$10.85	155			$1.026	118	$13.526	383
County of Dufferin	$0.15	10	$1.05	15			$0.135	16	$1.335	41
City of Hamilton	$3.00	250	$15.40	220			$1.053	145	$19.453	615
District Municipality of Muskoka	$0.23	20	$1.75	25			$0.108	16	$2.088	61
Regional Municipality of Niagara	$2.14	170	$7.70	110			$0.864	121	$10.704	401
Subtotal Central exc. GTA	**$7.17**	**560**	**$36.75**	**525**			**$3.186**	**416**	**$47.106**	**1,501**
County of Nothumberland	$0.47	30	$1.75	25			$0.180	23	$2.400	78
City of Peterborough	$0.72	50	$5.60	80			$0.243	37	$6.563	167
City of Kawartha Lakes	$0.43	30	$1.75	25			$0.171	25	$2.351	80
City of Ottawa	$5.76	400	$22.05	315			$2.025	232	$29.835	947
City of Kingston	$1.20	80	$4.55	65			$0.297	41	$6.047	186
County of Hastings	$0.76	60	$2.80	40			$0.234	38	$3.794	138
County of Lanark	$0.31	20	$1.05	15			$0.144	19	$1.504	54
United Counties of Leeds & Grenville	$0.29	30	$1.75	25			$0.225	29	$2.265	84
County of Lennox & Addington	$0.16	20	$1.05	15			$0.135	19	$1.345	54
United Counties of Presscot & Russell	$0.23	30	$1.75	25			$0.189	23	$2.169	78
County of Renfrew	$0.23	30	$1.75	25			$0.189	28	$2.169	83
City of Cornwall	$0.45	50	$1.75	25			$0.198	33	$2.398	108
Subtotal Eastern	**$11.01**	**830**	**$47.60**	**680**			**$4.230**	**547**	**$62.840**	**2,057**
Regional Municipality of Waterloo	$2.21	160	$10.15	145			$1.161	133	$13.521	438
County of Wellington	$0.90	60	$3.85	55			$0.495	56	$5.245	171
City of Brantford	$0.60	50	$5.60	80			$0.288	37	$6.488	167
County of Bruce	$0.10	10	$2.10	30			$0.135	19	$2.335	59
City of St.Thomas	$0.27	30	$3.50	50			$0.189	24	$3.959	104
City of Windsor	$1.85	140	$9.10	130			$0.981	113	$11.931	383
County of Grey	$0.36	30	$1.75	25			$0.171	26	$2.281	81
County of Huron	$0.19	20	$1.05	15			$0.126	17	$1.366	52
Municipality of Chatham-Kent	$0.38	40	$1.05	15			$0.216	31	$1.646	86
County of Lambton	$0.46	40	$1.75	25			$0.288	37	$2.498	102
City of London	$2.90	210	$10.85	155			$0.927	120	$14.677	485
County of Oxford	$0.32	30	$1.75	25			$0.243	29	$2.313	84
City of Stratford	$0.22	20	$1.05	15			$0.180	22	$1.450	57
County of Norfolk	$0.25	30	$1.75	25			$0.234	31	$2.234	86
Subtotal Southwestern	**$11.01**	**870**	**$55.30**	**790**			**$5.634**	**695**	**$71.944**	**2,355**
Sault Ste. Marie	$0.34	40			$2.00	100	$0.144	22	$2.484	162
Algoma DSSAB	$0.10	20	$1.40	20	$1.20	60	$0.063	12	$2.763	112
Cochrane DSSAB	$0.38	40			$2.20	110	$0.171	24	$2.751	174
Manitoulin-Sudbury DSSAB	$0.02	10			$1.00	50	$0.054	10	$1.074	70
Nippissing DSSAB	$0.41	40	$2.45	35	$2.20	110	$0.153	24	$5.213	209
Parry Sound DSSAB	$0.11	10	$1.40	20			$0.063	12	$1.573	42
City of Greater Sudbury	$0.86	80			$4.20	210	$0.324	45	$5.384	335
Timmiskaming DSSAB	$0.07	10			$0.80	40	$0.054	10	$0.924	60
Subtotal Northeastern	**$2.29**	**250**	**$5.25**	**75**	**$13.60**	**680**	**$1.026**	**159**	**$22.166**	**1,164**
Kenora DSSAB	$0.08	10			$1.80	90	$0.135	19	$2.020	119
Rainy River DSSAB	$0.01	10			$0.60	30	$0.045	7	$0.120	47
Thunder Bay DSSAB	$0.65	60			$4.00	200	$0.333	43	$4.980	303
Subtotal Northwestern	**$0.74**	**80**	**$0.00**	**0**	**$6.40**	**320**	**$0.513**	**69**	**$3.653**	**469**

Contacts

Rent Bank and the Residential Tenancies Act

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